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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte EGAN ECHEVERRIA SCHULZ

Appeal 2016-003811
Application 13/796,982
Technology Center 3600

Before CAROLYN D. THOMAS, DEBRA K. STEPHENS, and
AARON W. MOORE, *Administrative Patent Judges*.

THOMAS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's Final Rejection of claims 1–22, all the pending claims in the present application. *See* Claim Appendix. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

The present invention relates generally to triggering one or more subsequent purchases after an initial purchase. *See* Spec. 1:8–9.

Claim 1 is illustrative:

1. A system comprising:
one or more memories;
one or more hardware processors in
communication with the one or more memories and operable to:
receive a communication including an indication
of a purchase of an initial product by a user on a purchase date;
determine, at least in part from the initial product,
what follow on products correspond to the initial product;
determine, at least in part from the follow on
products, what a cost is for each of the follow on products;
determine, at least in part from the initial product
and the purchase date, a schedule for purchasing the follow on
products based on locations detected by a user device;
determine, at least in part from the follow on
products, the cost for each of the follow on products, and the
schedule, a budget for purchasing the follow on products; and
storing, in the one or more memories, information
representative of the budget and the schedule.

Appellants appeal the following rejections:

Claims 1–22 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter (Ans. 3).

We review the appealed rejections for error based upon the issues identified by Appellants, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential).

ANALYSIS

35 U.S.C. § 101: Claims 1–22

Issue: Did the Examiner err in finding that the claims are directed to non-statutory subject matter?

The Examiner finds that the claims “are directed to . . . the abstract idea of selling and buying a product . . . [and do] no more than require a generic computer” (Final Act. 2), and “the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea” (*id.* at 3; *see also* Ans. 4). We agree with the Examiner.

A patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that this provision contains an important implicit exception: laws of nature, natural phenomena, and abstract ideas are not patentable. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.”). Notwithstanding that a law of nature or an abstract idea, by itself, is not patentable, the application of these concepts may be deserving of patent protection. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293–94 (2012). In *Mayo*, the Court stated that “to transform an unpatentable law of nature into a patent eligible *application* of such a law, one must do more than simply state the law of nature while adding the words ‘apply it.’” *Id.* at 1294 (citation omitted).

In *Alice*, the Court reaffirmed the framework set forth previously in *Mayo* “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one

of those patent-ineligible concepts.” *Id.* If the claims are directed to a patent-ineligible concept, then the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1298, 1297).

In other words, the second step is to “search for an ‘inventive concept’ - *i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (brackets in original) (quoting *Mayo*, 132 S. Ct. at 1294). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of [a] formula to a particular technological environment or adding insignificant post-solution activity.” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (citation and internal quotation marks omitted). The Court in *Alice* noted that “[s]imply appending conventional steps, specified at a high level of generality,’ was not ‘*enough*’ [in *Mayo*] to supply an ‘inventive concept.’” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 132 S. Ct. at 1300, 1297, 1294).

Here, Appellants contend that “the claimed system is not merely a generic computer” because it “determines a schedule and a budget . . . based at least on the location of the user” and thus is “necessarily rooted in computer technology, including GPS technology . . . similar to the claims in *DDR Holdings*” (App. Br. 8). However, we find that claim 1 is not like the claims at issue in *DDR Holdings*.¹

¹ *DDR Holdings, LLC v. Hotels.com, LP*, 773 F.3d 1245 (Fed. Cir. 2014).

Specifically, the claims at issue in *DDR Holdings* were directed to retaining website visitors, which the court determined was a problem “particular to the Internet.” *DDR Holdings*, 773 F.3d at 1257. The court also determined that the invention was “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks,” and that the claimed invention did not simply use computers to serve a conventional business purpose. *Id.* Here, on the other hand, claim 1 merely requires one or more processors operable to receive an initial purchase, determine follow on products corresponding to the initial purchase, determine a cost of the follow on products, determine a schedule for purchasing follow on products based on locations detected, determine a budget for purchasing follow on products, and storing information representative of the budget and the schedule (*see* claim 1).

Thus, we find that claim 1, and similarly all claims on appeal, merely use a generic computer or processor as a tool in the way a computer normally functions because the claims fail to impart any discernible improvement upon the computer or processor. Nor do Appellants’ claims solve “a challenge particular to the Internet” as considered by the court in *DDR*, 773 F.3d at 1256–57. Thus, we conclude that none of Appellants’ claims are like the claim held patent-eligible by the court in *DDR*.

Regarding step two of the *Alice* test, we find none of the recitations in claims 1–22 add anything “significantly more” to transform the abstract concept of selling and buying a product into a patent-eligible application. *See Alice*, 134 S. Ct. at 2357.

As recognized by the Federal Circuit in *Ulramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715–16 (Fed. Cir. 2014), the “machine-or

transformation” (MoT) test, as outlined in *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008), can provide a “useful clue” in the second step of the *Alice* framework. Under *Bilski*’s MoT test, a claimed process is patent-eligible under § 101 if:

- (1) it is tied to a particular machine or apparatus; or
- (2) the process transforms a particular article into a different state or thing.

Bilski, 545 F.3d at 954 (citing *Gottschalk*, 409 U.S. at 70).

Contrary to Appellants’ arguments (App. Br. 8), we find Appellants’ “system” (claim 1), “method” (claim 12), and “computer program product” (claim 21) are neither sufficiently tied to a particular machine or apparatus, nor involved in any type of transformation of any particular article.

In contrast to *DDR Holdings*, in which the Federal Circuit held that claims directed to specific improvements in Internet or computer capabilities are patent-eligible subject matter, Appellants’ claims are neither rooted in computer technology, nor do they seek to improve any type of computer capabilities, particularly any GPS based technology. Instead, we conclude Appellants’ claims simply recite an abstract concept of buying, selling, scheduling, and budgeting products, in part based on locations detected.

Our reviewing court has said that abstract ideas may include “collecting information, including when limited to particular content.” *Electric Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). Further, “merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis.” *Id.* at 1354. Receiving and analyzing (or

identifying data), by itself, does not transform an otherwise abstract process or system of information collection and analysis. *See id.* Like the claims at issue in *Electric Power*, we find Appellants' claims 1–22 do not invoke “any assertedly inventive programing” or an “arguably inventive set of components or methods.” *Id.* Thus, the claims are merely directed to steps of determining a schedule based on locations detected, i.e., location information collected, and, thus, the claims recite an abstract idea.

Here, we find the mere invocations of conventional, off-the-shelf, computer components are insufficient to pass as an inventive set of components. As such, our review of the claims, fully considering each claim's elements (both individually and as an ordered combination), fails to show that the nature of any of Appellants' claims 1–22 is transformed into patent-eligible subject matter.

Because we conclude each of Appellants' claims 1–22 are directed to a patent-ineligible abstract concept, and do not recite something “significantly more” under the second step of the *Alice* analysis, we sustain the Examiner's rejection of these claims as being directed to non-statutory subject matter in light of *Alice* and its progeny.

On the record before us, Appellants have not persuaded us the Examiner erred in rejecting claims 1–22 under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

DECISION

We affirm the Examiner's decision rejecting claims 1–22 under § 101.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED